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The Conference Board

Economic and Business Environment Program

MONTHLY UPDATE TO

International Economic Scoreboard

A Monthly Report from The Conference Board **December 1989**

SUMMARY

Worldwide, again this month sluggish growth of the leading indexes suggests that the global business cycle is in for slow going in the period ahead. This pattern is true not only for the overall 11-country composite, which shows a 1 percent growth rate for the leading index, but also for each of the major regions, which show 3 percent growth in Europe, 2 percent in the Pacific Region, and no growth at all in North America.

Nationally, the only economies exhibiting any pep are Taiwan with an 8 percent growth rate in its leading index, and West Germany with 5 percent. All others are in the range of -1 to 4 percent, with the U.S. and Japan at 1 percent growth. The one major uncertainty is Japan, where (as mentioned before) the introduction of a value-added tax last April distorted the normal pattern of business activity in a way that may be making the leading index appear to be a bit softer than it otherwise would.

Interpretation: The outlook is really quite dull throughout the industrial world. Although neither a recession nor an inflationary boom is impossible in the months ahead, neither seems probable.

Summary Of Growth Rates, Eleven Industrial Countries

	Ten-year Growth Rate	Indexes of Economic Performance Growth Rates*			Leading Business Cycle Indexes Growth Rates*			Current Reading on the Cycle	Latest Month Covered
	1976-86	6 mos. ago	3 mos. ago	Latest month	6 mos. ago	3 mos. ago	Latest month		
	annual rates, percent								
Eleven countries	3	6	4	3	4	2	1	Expansion continuing, leaders weak	Sept.
Ten countries excl. U.S.	3	7	5	4	6	3	2	Expansion continuing	Sept.
North America (2)	3	4	3	3	2	0	0	Expansion continuing, leaders weak	Sept.
Europe (4)	2	5	4	3	5	3	3	Expansion continuing	Sept.
Pacific Region (5)	4	11	6	4	9	4	2	Expansion continuing	Sept.
United States	3	4	3	2	2	-2	1	Expansion continuing, leaders weak	Oct.
Canada	3	3	3	3	0	0	3	Expansion continuing	Sept.
West Germany	2	5	4	3	8	5	5	Expansion continuing	Oct./Sept.
France	2	8	7	4	4	1	0	Expansion continuing, leaders weak	Sept./Oct.
United Kingdom	2	6	4	4	1	-1	-1	Expansion continuing, leaders weak	Sept.
Italy	2	1	-1	2	1	1	0	Expansion resuming, leaders weak	July/Sept.
Japan	4	11	5	3	10	4	1	Expansion continuing, leaders weak	Sept.
Australia	3	11	13	9	1	-1	-2	Expansion continuing, leaders weak	Sept./Oct.
Taiwan, R.O.C.	8	5	5	5	7	8	8	Expansion continuing	Oct.
Korea, R.O.K.	7	4	7	7	5	2	2	Expansion continuing	Oct.
New Zealand	2	2	2	1	5	5	4	Upturn developing	Aug./Sept.

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

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INDEXES, WORLDWIDE AND BY REGION, 1988-89

		11 Countries		10 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (5)	
		Indexes, 1980 = 100									
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Jan.	88	122	129	124	127	121	132	115	117	137	142
Feb.	88	123	130	125	127	122	133	116	118	139	143
Mar.	88	124	131	125	128	123	133	116	119	140	145
Apr.	88	124	131	125	129	123	133	116	118	139	147
May	88	124	132	126	130	123	133	117	119	139	148
June	88	125	133	127	131	124	135	118	120	141	150
July	88	126	133	127	132	124	134	118	120	141	151
Aug.	88	126	134	128	133	124	136	119	121	142	153
Sept.	88	127	134	129	132	125	135	119	121	143	152
Oct.	88	127	134	129	133	126	136	119	122	144	152
Nov.	88	128	135	130	134	126	136	120	123	145	153
Dec.	88	129	136	130	135	126	137	121	123	146	157
Jan.	89	129	138	131	137	127	138	121	124	147	159
Feb.	89	130	138	132	137	127	137	122	124	147	160
Mar.	89	131	137	133	137	128	137	122	124	151	159
Apr.	89	130	137	132	137	128	137	122	124	148	159
May	89	130	137	132	136	128	137	123	124	148	157
June	89	131	137	133	137	128	136	123	125	150	158
July	89	131	136	134	136	128	135	123	124	150	157
Aug.	89	132	137	134	137	129	136	124	125	150	159
Sept.	89	132	137	134	137	129	137	124	125	150	158

11 Countries		10 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (5)	
Growth Rates, Percent									
Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
6	5	7	5	5	4	6	1	8	10
7	4	8	5	6	4	6	2	10	9
7	4	8	5	6	3	7	3	9	9
6	4	6	5	6	2	6	2	8	10
6	4	6	6	5	1	6	3	6	10
6	5	7	6	6	4	6	4	8	10
6	4	6	6	5	1	6	4	7	10
6	6	6	7	5	5	6	4	7	11
5	5	6	6	4	3	6	4	7	8
5	5	6	5	5	3	5	5	6	7
5	5	6	6	4	3	6	5	7	7
6	6	6	7	4	4	6	5	7	11
6	7	6	8	4	5	6	6	7	13
5	6	6	8	5	3	6	5	6	12
6	4	7	6	4	2	5	5	11	9
5	4	5	5	4	2	5	4	5	7
4	2	4	3	3	1	4	4	4	3
4	2	5	3	3	0	4	3	6	4
4	0	4	2	3	-2	4	2	5	1
4	2	5	3	3	0	4	2	5	3
3	1	4	2	3	0	3	3	4	2
Ten Year Annual Growth Rate, Percent									
3	3	3	3	3	3	2	2	4	4

INDEXES, ELEVEN COUNTRIES, 1988-89

		U.S.		Canada		West Germany		France		U.K.		Italy		Japan		Australia		Taiwan, R.O.C.		Korea, R.O.K.		New Zealand	
		Indexes, 1980 = 100																					
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Jan.	88	120	133	127	124	112	117	122	121	115	117	110	113	135	141	128	122	172	192	201	201	112	113
Feb.	88	121	134	128	125	112	117	123	122	115	116	110	114	136	142	129	123	177	197	203	202	111	112
Mar.	88	122	134	129	125	113	118	123	123	116	117	111	115	137	143	130	125	174	201	202	205	111	112
Apr.	88	122	134	129	125	112	118	123	123	116	117	111	115	137	146	129	126	175	202	200	202	110	112
May	88	122	134	130	125	113	119	124	124	117	118	111	116	137	147	129	127	176	205	199	203	110	112
June	88	123	136	130	125	114	119	125	126	118	118	112	115	139	149	132	128	177	206	202	207	110	112
July	88	124	134	130	124	114	120	126	126	118	118	113	115	139	150	132	128	179	209	201	209	110	111
Aug.	88	124	137	131	125	115	121	127	126	119	118	113	116	140	152	132	129	182	215	206	212	110	112
Sept.	88	124	136	131	125	115	120	128	128	120	118	112	116	140	151	134	129	183	217	206	209	111	113
Oct.	88	125	137	131	124	115	121	128	129	120	119	112	117	141	151	136	128	182	217	208	212	111	114
Nov.	88	125	137	132	124	116	121	130	130	121	120	113	117	142	152	136	129	186	219	208	216	112	115
Dec.	88	126	138	132	125	116	122	130	130	122	119	113	117	143	156	138	128	185	218	209	219	112	115
Jan.	89	126	139	133	125	117	124	131	131	122	120	112	117	144	159	140	128	187	219	211	218	112	115
Feb.	89	127	138	133	124	118	125	132	130	123	119	113	117	144	161	142	128	186	219	212	213	112	116
Mar.	89	127	138	133	125	118	126	133	131	123	119	112	117	148	159	141	129	188	226	213	219	112	116
Apr.	89	127	138	133	125	118	126	133	130	123	119	112	116	145	159	144	128	187	223	211	217	112	117
May	89	127	138	134	124	118	126	134	132	123	119	112	116	145	156	143	130	189	223	211	217	112	118
June	89	128	137	134	125	119	126	134	132	123	119	113	117	146	157	146	130	188	227	213	218	113	118
July	89	128	136	134	125	119	127	135	130	124	119	114	117	148	156	146	128	190	228	216	217	112	116
Aug.	89	128	138	134	125	120	126	135	132	125	120		119	147	158	147	130	192	231	220	225	112	119
Sept.	89	128	138	135	127	119	128	135	134	125	118		117	147	157	148	128	190	232	219	227		118
Oct.	89	128	138			119			131								127	192	232	220	220		
		Growth Rates, Percent																					
Jan.	88	5	4	7	6	3	3	8	2	9	1	6	-3	8	11	7	4	4	9	17	16	-2	-4
Feb.	88	6	3	6	5	4	3	8	3	8	0	6	-2	9	9	8	4	8	12	17	14	-3	-5
Mar.	88	6	3	7	5	4	3	8	4	8	1	6	0	9	9	9	6	4	14	14	15	-3	-5
Apr.	88	6	2	6	4	3	4	7	3	7	0	6	0	8	10	6	6	4	12	10	9	-3	-5
May	88	5	1	6	3	4	4	7	4	7	1	6	1	7	10	5	8	4	14	7	9	-3	-4
June	88	6	4	6	3	4	4	8	7	7	2	6	1	8	10	8	8	5	12	8	11	-3	-3
July	88	5	1	5	1	3	5	8	6	7	2	7	1	7	11	8	6	6	13	6	11	-3	-4
Aug.	88	5	5	5	1	5	5	8	6	7	2	5	3	7	11	6	7	8	17	9	13	-3	-2
Sept.	88	4	3	5	1	4	4	8	8	7	2	4	2	7	8	9	6	8	16	7	7	-2	-1
Oct.	88	5	3	4	0	3	4	7	9	7	3	3	3	6	7	9	3	6	15	7	9	-1	2
Nov.	88	4	4	4	0	4	4	8	9	7	5	4	3	7	7	8	5	10	14	6	10	1	4
Dec.	88	4	5	4	0	5	6	8	7	7	3	4	3	7	12	10	3	8	11	6	11	1	3
Jan.	89	4	5	4	1	5	7	8	8	6	4	1	2	7	14	11	3	9	10	7	9	2	4
Feb.	89	5	4	4	0	6	8	8	6	6	2	1	2	6	14	12	2	6	8	7	3	2	4
Mar.	89	4	2	3	0	5	8	8	6	6	1	0	1	11	10	11	2	7	12	7	8	2	5
Apr.	89	4	2	3	0	5	7	7	4	5	1	-1	-1	5	7	13	1	5	7	4	5	2	5
May	89	4	2	3	-1	4	7	7	5	5	1	0	-1	4	3	9	3	7	6	3	4	2	6
June	89	3	0	3	0	5	5	7	5	4	-1	1	1	5	4	13	2	4	9	4	4	3	5
July	89	3	-2	2	1	4	5	6	1	4	0	2	1	4	1	11	-1	5	8	7	2	0	2
Aug.	89	4	0	2	1	5	3	6	3	4	1		3	4	3	10	1	6	9	9	9	1	6
Sept.	89	3	0	3	3	3	5	4	5	4	-1		0	3	1	9	-1	3	9	7	9		4
Oct.	89	2	1			3			0								-2	5	8	7	2		
		Ten Year Annual Growth Rate, Percent																					
1976-86		3	3	3	3	2	2	2	2	2	2	2	2	4	4	3	3	8	8	7	7	2	2